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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/762,090	01/20/2004	David Eugene Huddleston	063170.6951	4604

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EXAMINER	
FREJD, RUSSELL WARREN	
ART UNIT	**PAPER NUMBER**
2128	

NOTIFICATION DATE	DELIVERY MODE
09/12/2007	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No.	Applicant(s)	
	10/762,090	HUDDLESTON ET AL.	
	Examiner	Art Unit	
	Russell Frejd	2128	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *25 June 2007*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-15* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-15* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☒ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☒ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

Examination of Application #10/762,090

1. Claims 1-15 of application 10/762,090, filed on 20-January-2004, are presented for examination. This application is a CON of 10/412,993, filed on 14-April-2003, now abandoned. Prosecution of this application is hereby reopened in view of the new grounds of rejection presented below, and in response to the Pre-Appeal Brief review dated 25-June-2007.

Claim Rejections under 35 U.S.C. § 112, 2nd Paragraph

2. Claims 7-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

2.1 MPEP 2173.05(p) states:

> A single claim which claims both an apparatus and the method steps of using the apparatus is indefinite under 35 U.S.C. 112, second paragraph. *> *IPXL Holdings v. Amazon.com, Inc.*, 430 F.2d 1377, 1384, 77 USPQ2d 1140, 1145 (Fed. Cir. 2005);< *Ex parte Lyell*, 17 USPQ2d 1548 (Bd. Pat. App. & Inter. 1990) *>(< claim directed to an automatic transmission workstand and the method * of using it * held ** ambiguous and properly rejected under 35 U.S.C. 112, second paragraph>)<.
> Such claims *>may< also be rejected under 35 U.S.C. 101 based on the theory that the claim is directed to neither a "process" nor a "machine," but rather embraces or overlaps two different statutory classes of invention set forth in 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only. *Id.* at 1551.

In view of the requirement noted above, claims 7-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims are determined to claim a device, or a system, and the method steps of the claims from which they are dependent.

Claim Rejections under 35 U.S.C. § 101

3. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.

3.1 Claims 1-15 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The invention claims an adaptive system modeling method.

3.2 This claimed subject matter lacks a practical application of a judicial exception (law of nature, abstract idea, naturally occurring article/phenomenon) since it fails to: 1) physically transform or reduce an article to a different state or thing; or 2) having the **final result** (not the steps) achieve or produce a: useful (specific, substantial, AND credible utility), concrete (assured, substantially repeatable/non-unpredictable), **and** tangible (real world/non-abstract, enabling usefulness to be realized) result. The Courts have found that subject matter that is not a practical application or use of an idea, a law of nature or a natural phenomenon is not patentable. As the Supreme Court has made clear, " [a]n idea of itself is not patentable," *Rubber-Tip Pencil Co. v. Howard,* 20 U.S. (1 Wall.) 498, 507 (1874); taking several abstract ideas and manipulating them together adds nothing to the basic equation. In re Warmerdam, 31 USPQ2d 1754 (Fed. Cir. 1994).

The courts have also held that a claim may not preempt ideas, laws of nature or natural phenomena. The concern over preemption was expressed as early as 1852. See Le Roy v. Tatham, 55 U.S. (14 How.) 156, 175 (1852) ("A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right."); Funk Bros. Seed Co. v. Kalo Inoculant Co., 333 U.S. 127, 132, 76 USPQ 280, 282 (1948).

Accordingly, one may not patent every "substantial practical application" of an idea, law of nature or natural phenomena because such a patent "in practical effect would be a patent on the [idea, law of nature or natural phenomena] itself." Here the *"method"* claims are so abstract, so as to appear to: a) preempt any practical application of the abstract idea; and b) be so sweeping as to cover both known and unknown uses of:

selecting from a plurality of candidate features of a system a set of input features and a superset of the input features and other features by using a baseline significance signature;

generating a system model by using data corresponding to the selected input features set;

maintaining online data corresponding to the superset of the input features and other features collected from the system;

determining a new significance signature of the system by using the online superset data to perform a discriminant analysis of the candidate features; and

detecting an evolutionary change in the system by comparing the new significance signature and the baseline significance signature.

3.3 Furthermore, claims 13-15 are determined to not meet the criteria for a statutory process due to the description in the specification, wherein the transmission medium is described as encompassing a computer data signal. In view of the guidelines for 101 subject matter, the computer data signal of claims 13-15, having software for performing the adaptive system modeling method, does not manipulate appropriate subject matter, and thus cannot constitute a statutory process under 35 U.S.C. § 101.

3.4 MPEP 2173.05(p) states:

> A single claim which claims both an apparatus and the method steps of using the apparatus is indefinite under 35 U.S.C. 112, second paragraph. *> *IPXL Holdings v. Amazon.com, Inc.*, 430 F.2d 1377, 1384, 77 USPQ2d 1140, 1145 (Fed. Cir. 2005);< *Ex parte Lyell*, 17 USPQ2d 1548 (Bd. Pat. App. & Inter. 1990) *>(< claim directed to an automatic transmission workstand and the method * of using it * held ** ambiguous and properly rejected under 35 U.S.C. 112, second paragraph>)<.
> Such claims *>may< also be rejected under 35 U.S.C. 101 based on the theory that the claim is directed to neither a "process" nor a "machine," but rather embraces or overlaps two different statutory classes of invention set forth in 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only. *Id.* at 1551.

In view of the aforementioned requirement, the Examiner respectfully contends that the claim language of claims 7-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims are determined to claim a device, or a system, and the method steps of the claims from which they are dependent.

Allowed Claims

4. Claims 1-15 are deemed allowable over the prior art of record at this time, pending resolution of any rejections noted above, because the prior art does not specifically teach the claimed adaptive system modeling method.

Response Guidelines

5. A shortened statutory period for response to this action is set to expire **3 (three) months and 0 (zero) days** from the date of this letter. Failure to respond within the period for response will cause the application to become abandoned (see MPEP 710.02, 710.02(b)).

5.1 Any response to the Examiner in regard to this non-final action should be

directed to: Russell Frejd, telephone number (571) 272-3779, Monday-Friday from 0530 to 1400 ET, **or** the examiner's supervisor, Kamini Shah, telephone number (571) 272-2279. Inquires of a general nature or relating to the status of this application should be directed to the TC2100 Group Receptionist (571) 272-2100.

mailed to: Commissioner of Patents and Trademarks
P.O. Box 1450, Alexandria, VA 22313-1450

or faxed to: (571) 273-8300

Date: 2-September-2007

/Russell Frejd/
Primary Examiner AU 2128

RUSSELL FREJD
PRIMARY EXAMINER